

**REMARKS/ARGUMENTS**

Claims 1–23 and 32–33 are currently pending in the instant application. Claim 33 is newly added. Claims 1–3, 5, 7, 8, 10, 12–23, and 32–33 are rejected under 35 U.S.C. § 102(e). Claims 4, 6, 9, and 11 are rejected under 35 U.S.C. § 103(a). Applicant respectfully traverses the rejections in their entirety. Applicant thanks the Examiner for withdrawing the double patenting rejection.

**Claim Rejections – 35 U.S.C. § 102(e)**

Claims 1–3, 5, 7, 8, 10, 12–23, and 32–33 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Kohut (U.S. Patent No. 6,246,769). Applicant respectfully traverses the rejection for at least the reasons set forth below.

The Court of Appeals for the Federal Circuit has consistently held that “Anticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, **arranged as in the claim.**” Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick, 221 USPQ 481, 485 (Fed. Cir. 1984) (emphasis added).

Kohut discloses an authentication process in which the user selects characters from a randomly generated geometric matrix. The user must select a specific pattern and specific sequence within a matrix pattern (e.g., the 3 by 3 matrix pattern in Figs. 3A–D). *See* column 11, lines 52–67; column 12, lines 8–17. For instance, in Kohut’s Fig. 3A, the specific pattern consists of the pattern created by the four Xs in the 3 by 3 matrix. The specific sequence—the order in which the user selects characters within the specific pattern, from the geometric matrix—is illustrated by Kohut’s Fig. 3B. To operate Kohut’s authentication process, the user must remember the specific pattern and the specific sequence, and apply them to a fully encoded standardized geometric matrix to decode each transaction specific PIN. *See* column 12, lines 20–40.

By contrast, Applicant’s invention, as recited in Claims 1 and 15 and as described in paragraph [0018], provides systems and methods for conducting secure transactions wherein a user generates a transaction input code by selecting characters from a pseudo-random security string. The user selects characters from the pseudo-random security string on a positional basis determined by the value of each digit of a user pin. Applicant’s systems and methods provide the user with increased security while only requiring the user to memorize a single user pin (as they currently do for different systems, such as ATMs), as opposed to the authentication process

of Kohut where the user is required to memorize a specific pattern and a specific sequence. Kohut clearly fails to teach or suggest the systems and methods for conducting secure transactions positively recited and claimed in Applicants' Claims 1 and 15 arranged as in the claims; therefore Applicants' invention is patentable over Kohut. Applicant respectfully requests that the Examiner withdraw the rejection of Claims 1 and 15.

Claims 2–3, 5, 7–8, 10, 12–14, and 32–33 depend from Claim 1 and Claims 16–23 depend from Claim 15. The Court of Appeals for the Federal Circuit has consistently held that where a claim is dependent upon a patentable independent claim, the dependent claim is *a fortiori* patentable because it contains all the limitations of the independent claim plus further limitations. See, e.g., Hartness Intern. Inc. v. Simplimatic Engineering Co., 819 F.2d 1100, 1108 (Fed. Cir. 1987). Applicant therefore asserts that Claims 2–3, 5, 7–8, 10, 12–14, 16–23, and 32–33 are patentable for at least the reasons set forth above with respect to the patentable independent claims from which they depend, and respectfully requests that the Examiner withdraw the rejection of these dependent claims.

#### **Claim Rejections – 35 U.S.C. § 103(a)**

Claims 4, 6, 9, and 11 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Kohut in view of Walker et al. (U.S. Patent No. 6,163,771). Applicant respectfully traverses the rejection for at least the reasons set forth below.

Claims 4, 6, 9, and 11 depend from independent Claim 1. The Court of Appeals for the Federal Circuit has consistently held that where a claim is dependent upon a patentable independent claim, the dependent claim is *a fortiori* patentable because it contains all the limitations of the independent claim plus further limitations. See, e.g., Hartness Intern. Inc. v. Simplimatic Engineering Co., 819 F.2d 1100, 1108 (Fed. Cir. 1987). Applicant therefore asserts that Claims 4, 6, 9, and 11 are patentable for at least the reasons set forth above with respect to the Claim 1 from which they depend, and respectfully requests that the Examiner withdraw the rejection of these dependent claims.

**CONCLUSION**

Having responded to all objections and rejections set forth in the outstanding Office Action, it is submitted that the currently pending claims are in condition for allowance and Notice to that effect is respectfully solicited. Additional characteristics or arguments may exist that distinguish the claims over the prior art cited by the Examiner, and Applicants respectfully preserve their right to present these in the future, should they be necessary. In the event that the Examiner is of the opinion that a brief telephone or personal interview will facilitate allowance of one or more of the above claims, he is courteously requested to contact applicant's undersigned representative.

**AUTHORIZATION**

The Commissioner is authorized to charge any additional fees associated with this filing, and credit any overpayment, to Deposit Account No. 50-0653. If an extension of time is required, this should be considered a petition therefor. If the fees associated with a Request for Continued Examination are filed herewith, this should be considered a petition therefor.

Respectfully submitted,

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